



FRED WILLIAMSON & ASSOCIATES, INC.  
*Telecommunications Management Services*

**VIA ECFS**

June 27, 2014

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of Secretary  
445 12<sup>th</sup> Street, S. W.  
Washington, D.C. 20554

**RE: Submission of information Pursuant to FCC 54.313 Rules and Request for Confidential Treatment – Connect America Fund, WC Docket No. 10-90; Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42**

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, ALLBAND Communications Cooperative ("Allband"), Michigan, Study Area Code 310542, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket Nos. 10-90 and 11-42.

This information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481.

Please contact me if you have any questions.

Sincerely,

Tim Morrissey  
President  
314-605-9220  
[tmorrissey@fwainc.com](mailto:tmorrissey@fwainc.com)

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	310542
<015> Study Area Name	ALLBAND COMMUNICATIONS COOPERATIVE
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	RON SIEGEL
<035> Contact Telephone Number: Number of the person identified in data line <030>	9893699999 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	ron.siegel@allband.org

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
(check box when complete)			
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">310542MI510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">310542MI610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">310542MI1010.pdf</div>	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	
FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	

<010>	Study Area Code	310542
<015>	Study Area Name	ALLBAND COMMUNICATIONS COOPERATIVE
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	RON SIEGEL
<035>	Contact Telephone Number - Number of person identified in data line <030>	9893699999 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org
<110>	Has your company received its ETC certification from the FCC?	<input type="radio"/> (yes / no ) <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input type="radio"/> (yes / no ) <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	<input type="checkbox"/>
<114>	Report how much universal service (USF) support was received	<input type="checkbox"/>
<115>	How (USF) was used to improve service quality	<input type="checkbox"/>
<116>	How (USF) was used to improve service coverage	<input type="checkbox"/>
<117>	How (USF) was used to improve service capacity	<input type="checkbox"/>
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	<input type="checkbox"/>









(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	310542
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<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	RON SIEGEL
<035>	Contact Telephone Number - Number of person identified in data line <030>	989369999 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	Select (Yes, No, NA)
<922>	Feasibility and sustainability planning;	
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	



(1100) No Terrestrial Backhaul Reporting  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

☐

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G)

☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G)

<b>(1200) Terms and Condition for Lifeline Customers</b>		FCC Form 481	
<b>Lifeline</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
<b>Data Collection Form</b>		July 2013	

<010>	Study Area Code	310542
<015>	Study Area Name	ALLBAND COMMUNICATIONS COOPERATIVE
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<030>	Contact Name - Person USAC should contact regarding this data	RON SIEGEL
<035>	Contact Telephone Number - Number of person identified in data line <030>	989369999 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans		Name of Attached Document
<1220>	Link to Public Website	HTTP	<a href="http://telecommich.org/lifeline/">http://telecommich.org/lifeline/</a>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting		
<2010>	2nd Year Certification {47 CFR § 54.313(b)(1)}	<input type="checkbox"/>
<2011>	3rd Year Certification {47 CFR § 54.313(b)(2)}	<input type="checkbox"/>
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}		
<2012>	2013 Frozen Support Certification	<input type="checkbox"/>
<2013>	2014 Frozen Support Certification	<input type="checkbox"/>
<2014>	2015 Frozen Support Certification	<input type="checkbox"/>
<2015>	2016 and future Frozen Support Certification	<input type="checkbox"/>
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}		
<2016>	Certification Support Used to Build Broadband	<input type="checkbox"/>
Connect America Phase II Reporting {47 CFR § 54.313(e)}		
<2017>	3rd year Broadband Service Certification	<input type="checkbox"/>
<2018>	5th year Broadband Service Certification	<input type="checkbox"/>
<2019>	Interim Progress Certification	<input type="checkbox"/>
<2020>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	

<2021>	Interim Progress Community Anchor Institutions	<div></div>
		Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	989369999 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)

Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

(Yes/No)

(3014)

If yes, does your company file the RUS annual report

(Yes/No)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015)

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☒

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

310542MI3017.pdf

Name of Attached Document Listing Required Information (Yes/No)

(3018)

If the response is no on line 3014, Is your company audited?

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019)

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021)

Management letter issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

(3023)

Underlying information subjected to a review by an independent certified public accountant

(3024)

Underlying information subjected to an officer certification.

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3026)

Attach the worksheet listing required information

Name of Attached Document Listing Required Information

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
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July 2013

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<039> Contact Email Address - Email Address of person identified in data line <030>	ron.siegel@allband.org

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Tom Karalis</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Tom Karalis</u>
Name of Reporting Carrier:	<u>ALLBAND COMMUNICATIONS COOPERATIVE</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/26/2014</u>
Printed name of Authorized Officer:	<u>John Reigle</u>
Title or position of Authorized Officer:	<u>President</u>
Telephone number of Authorized Officer:	<u>9893699999 ext.</u>
Study Area Code of Reporting Carrier:	<u>310542</u> Filing Due Date for this form: <u>07/01/2014</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>ALLBAND COMMUNICATIONS COOPERATIVE</u>
Name of Authorized Agent or Employee of Agent:	<u>TOM KARALIS</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/26/2014</u>
Printed name of Authorized Agent or Employee of Agent:	<u>TOM KARALIS</u>
Title or position of Authorized Agent or Employee of Agent:	<u>CONSULTANT</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>9182981618 ext.</u>
Study Area Code of Reporting Carrier:	<u>310542</u> Filing Due Date for this form: <u>07/01/2014</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments









**ALLBAND COMMUNICATION COOPERATIVE**  
**FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN**  
**(USAC DOCUMENT - 310542MI112.PDF)**

**Title 47 §54.202(a)(1)(ii)**  
**Five-Year Plan**  
**Due: July 1, 2014**

Company Name: Allband Communications Cooperative  
Company Headquarters: Curran, MI

**Narrative**

Pursuant to FCC order DA 13-1115 dated May 16, 2013 and consistent with Title 47 Section 54.202(a)(1)(ii), Allband Communications Cooperative plans to make improvements as well as maintain and support existing broadband infrastructure throughout its proposed service areas as described herein. Allband Communications Cooperative's service area has only 1 exchange – the exchange of Robbs Creek in Michigan.

Per the USAC reminder dated February 27, 2014 and the NECA reminder dated March 10, 2014, the initial five-year build out plan includes: (1) specific proposed improvements or upgrades to the network planned for 2015-2019, (2) an estimate of the area and population that will be served as a result of the improvements and (3) to the extent no improvements are planned, the five-year plans should so indicate.

**Allband Communications Cooperative 5-Year Plan**

**2014**

- General Maintenance and Repair of FTTH infrastructure
- Fulfillment of new service requests to increase access lines

**2015**

- General Maintenance and Repair of FTTH infrastructure
- Installation of new battery cells in Central Office (end of life).
- Migration from ATM SONET to 10GB Ethernet on existing Calix C7 Ring
- Fulfillment of new service requests to increase access lines
- Swap out remaining first generation power supplies with current model

**2016**

- General Maintenance and Repair of FTTH infrastructure
- Fulfillment of new service requests to increase access lines
- Swap out remaining first generation power supplies with current model

**2017**

- General Maintenance and Repair of FTTH infrastructure
- Fulfillment of new service requests to increase access lines

**2018**

- General Maintenance and Repair of FTTH infrastructure
- Fulfillment of new service requests to increase access lines

**2019**

- General Maintenance and Repair of FTTH infrastructure
- Fulfillment of new service requests to increase access lines

**ALLBAND COMMUNICATION COOPERATIVE**  
**QUALITY OF SERVICE AND CUSTOMER PROTECTION PROCESS**  
**(USAC DOCUMENT - 310542MI510.PDF)**

## **ALLBAND COMMUNICATIONS COOPERATIVE QUALITY OF SERVICE & CUSTOMER PROTECTION PROCESSES**

1. **Available Customer Service Representatives to Answer Phones** – All calls received by Allband Communications Cooperative during business hours are answered by the third ring. When the assigned customer representatives are unable to answer calls by the third ring, additional representatives are available to help answer phones.
2. **Provide After Hours Emergency Customer Service** – Calls are answered within 60 seconds. Call logs are reviewed daily by personnel. Customer service representatives have been given a list of questions by Allband Communications Cooperative to ask to assist them in resolving any issues. Unresolved issues are reviewed the following work day. Issues requiring immediate attention are sent to the Allband Communications Cooperative service technician on call, who works to resolve the matter as quickly as possible. If that technician is unable to resolve the problem, additional technicians are called. After-hours customer service is also available.
3. **Provide a 24/7 Hour Internet Help Desk Service** – All calls are answered within 60 seconds. Call logs are reviewed daily by personnel with Managers available to review and address any issues.
4. **Online Bill Payments** – Payments made online are posted to the customer accounts and are viewable on the online customer account summaries within 24 hours. Any encountered problems are reported to the Controller, and resolved as quickly as possible.
5. **Customer Satisfaction Surveys to All Current Subscribers** – A survey with questions regarding the areas of Phone, Office, Service Technicians, Customer Support, Overall is made available to all customers to rate the company on a scale of 1 to 5; 1 being excellent. It is the goal of Allband Communications Cooperative to obtain a 1 or 2 (Excellent or Good) on 90% of returned surveys. Results are returned to the Manager who will call customers that gave the company a poor rating to determine what could be done differently to serve them better.
6. **Give Customers Cut-off Warnings & Provide Bill Arrangement Opportunities** - Customers are given two months of missed payments before being cut off. Notification of the payment due date and the cut-off date are prominently displayed on bills as well as of the opportunity to make payment arrangements to avoid being cut-off. Customers in danger of losing service will receive a call from a customer service representative to remind them of the late payment.

If a customer complains that notice was not given, they are directed to speak with the Controller who will work to resolve the matter and prevent it from occurring again. Account balance reports are printed monthly internally using the company's billing system.

7. **Ensure That All New Service Installation Orders Are Fulfilled Promptly** – All customers are contacted within 48 hours regarding scheduling the new service installation. If outside plant is already in place, fill the order at the customers' earliest convenience; if outside plant is in not in place, fill the order as soon as the weather permits.
8. **Minimize Customer Downtime for Services & Make Requested Changes Promptly** – Contact customers regarding all service requests the same day, with a goal of resolving all issues within 48 hours. Any unresolved issues will be resolved contingent on the technician/customer coordination of access to the premises.
9. **Proactively Monitoring in Case of Major Service Outages** – Service technicians will be made aware of outages affecting customers within an hour. It is the goal of Allband Communications Cooperative to resolve major outages in four hours or less. If an outage has not been resolved within four hours, technicians will begin utilizing all resources, both from within and from without. Technicians establish and accomplish yearly training goals to be better equipped for managing all services.

## **CUSTOMER PRIVACY**

**Company Confidential Information Policy** – Allband Communications Cooperative has a company policy in place that holds employees accountable for a breach of confidentiality concerning customer data and company information. The policy states: "You are reminded that revealing any type of confidential information to unauthorized persons or tampering with or altering company records and/or property is a violation of trust that can result in disciplinary action up to and including discharge."

**Company CPNI Policy** – Allband Communications Cooperative also has a Customer Proprietary Network Information (CPNI) policy in place that ensures employee compliance with the FCC's CPNI guidelines. Outlined within the policy is a detailed description of CPNI as well as both acceptable and unacceptable CPNI practices.

Employees are required to sign waivers stating they understand and agree to comply with the policy and acknowledge that "failure to protect this information result in disciplinary action up to and including discharge for the responsible employee." As a part of this policy, Allband Communications Cooperative has designated a Compliance Officer responsible for training employees, monitoring CPNI related activities, and reporting breaches.



**ALLBAND COMMUNICATION COOPERATIVE**

**EMERGENCY SITUATION FUNCTIONALITY – AVAILABILITY OF BACK UP POWER**

**(USAC DOCUMENT - 310542MI610.PDF)**

## **ALLBAND COMMUNICATIONS COOPERATIVE EMERGENCY SITUATION FUNCTIONALITY AVAILABILITY OF BACK-UP POWER**

Allband Communications Cooperative has (1) one central office location within its service area. This location is equipped with a back-up generator capable of providing power to the equipment within that office in the event of an external power source outage. After each power outage, generators are inspected and are also professionally serviced annually to ensure functionality.

In addition, Allband Communications Cooperative has installed back-up batteries on the customer premise equipment. Multiple back-up batteries have been installed at homes of those with special needs. Spare batteries are kept at Allband Communications Cooperative 's main office for replacement of batteries at customer homes in the event of a prolonged power outage.

### **TRAFFIC ROUTING**

Voice traffic between the central office switch and remote switches is carried across fiber optic cable allowing continued service if one route is interrupted. Voice traffic between the central office switch and the upstream tandem is also provisioned across fiber optic trunks.

### **MANAGING TRAFFIC SPIKES**

Allband Communications Cooperative careful capacity planning has put multiple constraints and triggers in place on its Central Office equipment, outside plant equipment, and network backbone that will provide the company with the capability of handling traffic spikes during emergency situations.

- Usage rates are analyzed monthly internally by Allband Communications Cooperative using reports automatically generated by the switch to ensure that usage does not exceed 90% of total line capacity.
- Allband Communications Cooperative will monitor traffic internally on a monthly basis to ensure optimal efficiency.

**ALLBAND COMMUNICATION COOPERATIVE**

**VOICE SERVICES RATE COMPARABILITY**

**(USAC DOCUMENT - 310542MI1010.PDF)**

# **Voice Services Rate Comparability**

## **Allband Communications Cooperative**

In compliance with the 54.313 Rules, Allband Communications Cooperative must certify that its current rate for fixed voice services is no more than two standard deviations above the national average urban rate for voice service. According to the 2014 Urban Rate Survey conducted by the FCC Wireline Competition Bureau, the weighted average unlimited local rate is \$20.46. <sup>1</sup> USAC Guidelines (Page 56) provide that two standard deviations above the \$20.46 would be \$46.96. <sup>2</sup>

The rates shown on the Voice Pricing Form (0700) are below \$46.96. Consequently, Allband Communications Cooperative meets the above mentioned requirement.

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<sup>1</sup> <http://www.fcc.gov/encyclopedia/urban-rate-survey-data>

<sup>2</sup> [www.usac.org/\\_res/documents/hc/pdf/forms/FCC-Form-481-Online-User-Guide.pdf](http://www.usac.org/_res/documents/hc/pdf/forms/FCC-Form-481-Online-User-Guide.pdf)

**ALLBAND COMMUNICATION COOPERATIVE**

**LIFELINE PLAN**

**(USAC DOCUMENT - 310542MI1210.PDF)**

## **ALLBAND COMMUNICATION COOPERATIVE**

### **Lifeline Plan**

Allband Communications Cooperative (Allband) offers Lifeline Telephone Service to its customers. The amount of lifeline credit and eligibility criteria for Lifeline service is listed on Allband's website and the link is provided with the 481 submission. Allband's Lifeline Program is administered by the Telecommunications Association of Michigan.

If eligible, the lifeline credit is applied to the charges for basic local exchange service.

Allband customers receive unlimited local calling as part of the Basic Local Exchange Service Plan.

Customers without toll block service are assessed long distance charge based on the presubscribed interexchange carrier's rates.

**ALLBAND COMMUNICATION COOPERATIVE**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(USAC DOCUMENT - 310542MI3017.PDF)**

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>			<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> <b>BORROWER NAME</b> AllBand Communications Cooperative (Prepared with Audited Data)		
<b>INSTRUCTIONS-</b> Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.			<b>PERIOD ENDING</b> December, 2013		<b>BORROWER DESIGNATION</b> MI0570
<b>CERTIFICATION</b> We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> <i>(Check one of the following)</i>  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects. </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report </div> </div>					
DATE					
<b>PART A. BALANCE SHEET</b>					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents	285,469	247,410	25. Accounts Payable	1,723,760	546,932
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	4,839	
a. Telecom, Accounts Receivable	177,323	188,774	28. Customer Deposits		6,559
b. Other Accounts Receivable			29. Current Mat. L/T Debt	198,038	225,000
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.	327,800	350,867
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		2,530
b. Other Accounts Receivable			33. Other Taxes Accrued	12,501	22,069
c. Notes Receivable			34. Other Current Liabilities		26,060
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	2,266,938	1,180,017
6. Material-Regulated	160,518	127,388	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	6,143,705	5,786,866
8. Prepayments	19,849	2,106	37. Funded Debt-RTB Notes		
9. Other Current Assets	2,750	2,750	38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	645,909	568,428	39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	480,622	1,069,529
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	6,624,327	6,856,395
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets	33,687	30,937	47. Other Long-Term Liabilities	100,000	
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	33,687	30,937	50. Total Other Liabilities and Deferred Credits (47 thru 49)	100,000	0
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service	6,971,870	6,987,607	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	2,110,523	1,655,741	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates	3,080	3,120
22. Less Accumulated Depreciation	1,700,507	2,071,898	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	7,381,886	6,571,450	56. Patronage Capital Credits	(903,246)	(932,863)
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	(29,617)	64,146
	8,061,482	7,170,815	58. Total Equity (51 thru 57)	(929,783)	(865,597)
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	8,061,482	7,170,815

Total Equity = (2.07%) % of Total Assets



<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		<b>BORROWER DESIGNATION</b>  MI0570
<b>INSTRUCTIONS- See RUS Bulletin 1744-2</b>		<b>PERIOD ENDING</b>  December, 2013
<b>PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS</b>		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	39,256	45,613
2. Network Access Services Revenues	1,418,408	1,483,820
3. Long Distance Network Services Revenues	23,144	19,879
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	90,874	319,934
6. Uncollectible Revenues		
7. <b>Net Operating Revenues (1 thru 5 less 6)</b>	1,571,682	1,869,246
8. Plant Specific Operations Expense	267,391	286,057
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	216,101	215,682
10. Depreciation Expense	369,530	371,391
11. Amortization Expense	2,750	2,750
12. Customer Operations Expense	39,975	122,672
13. Corporate Operations Expense	409,824	350,146
14. <b>Total Operating Expenses (8 thru 13)</b>	1,305,571	1,348,698
15. Operating Income or Margins (7 less 14)	266,111	520,548
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		2,501
19. Other Taxes	57,509	116,765
20. <b>Total Operating Taxes (17+18+19)</b>	57,509	119,266
21. Net Operating Income or Margins (15+16-20)	208,602	401,282
22. Interest on Funded Debt	327,435	314,633
23. Interest Expense - Capital Leases		
24. Other Interest Expense	14,424	31,698
25. Allowance for Funds Used During Construction		
26. <b>Total Fixed Charges (22+23+24-25)</b>	341,859	346,331
27. Nonoperating Net Income	2,240	9,195
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(34,194)	
31. <b>Total Net Income or Margins (21+27+28+29+30-26)</b>	(165,211)	64,146
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year	3,916	(29,617)
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital	(131,678)	(29,617)
39. <b>Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>	(29,617)	64,146
40. Patronage Capital Beginning-of-Year	(771,568)	(903,246)
41. Transfers to Patronage Capital	(131,678)	(29,617)
42. Patronage Capital Credits Retired		
43. <b>Patronage Capital End-of-Year (40+41-42)</b>	(903,246)	(932,863)
44. Annual Debt Service Payments	314,938	314,633
45. Cash Ratio [(14+20-10-11) / 7]	0.6304	0.5852
46. Operating Accrual Ratio [(14+20+26) / 7]	1.0848	0.9706
47. TIER [(31+26) / 26]	0.5167	1.1852
48. DSCR [(31+26+10+11) / 44]	1.7430	2.4938

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>  INSTRUCTIONS - See RUS Bulletin 1744-2						BORROWER DESIGNATION MI0570  PERIOD ENDED December, 2013	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Robbs Creek	19.99	19.99		156	156	255.00	255.00
MobileWireless						0	
Route Mileage Outside Exchange Area						0.00	0.00
Total			0	156	156	255.00	255.00
No. Exchanges	1						

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

INSTRUCTIONS - See RUS Bulletin 1744-2

BORROWER DESIGNATION

MI0570

PERIOD ENDED

December, 2013

**Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION**

**4. BROADBAND SERVICE**

**Details on Least Expensive Broadband Service**

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Robbs Creek	156	89	89	3,000	1,500	34.99		Fiber to the Home
Total	156	89						

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>			<b>BORROWER DESIGNATION</b> MI0570  <b>PERIOD ENDING</b> December, 2013		
INSTRUCTIONS- See RUS Bulletin 1744-2					
<b>PART D. SYSTEM DATA</b>					
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile	
1	4	177	.88	.61	
<b>PART E. TOLL DATA</b>					
1. Study Area ID Code(s)  a. 310542 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  <div style="display: flex; justify-content: space-between;"> <div>           Interstate: <input type="checkbox"/> Average Schedule             Intrastate: <input type="checkbox"/> Average Schedule         </div> <div> <input checked="" type="checkbox"/> Cost Basis   <input checked="" type="checkbox"/> Cost Basis         </div> </div>			
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>					
1. RUS, RTB, & FFB Loan Funds Expended					
2. Other Long-Term Loan Funds Expended					
3. Funds Expended Under RUS Interim Approval					
4. Other Short-Term Loan Funds Expended					
5. General Funds Expended (Other than Interim)					
6. Salvaged Materials					
7. Contribution in Aid to Construction					
8. Gross Additions to Telecom. Plant (1 thru 7)					
<b>PART G. INVESTMENTS IN AFFILIATED COMPANIES</b>					
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year  (b)	Income/Loss This Year  (c)	Cumulative Investment To Date  (d)	Cumulative Income/Loss To Date  (e)	Current Balance  (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					



USDA-RUS  
**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION  
MI0570

PERIOD ENDING  
December, 2013

**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☐ YES ☒ NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	10.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	10.00%
5. Land and support assets - Buildings	5.00%
6. Land and support assets - Furniture and Office equipment	10.00%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	10.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	10.00%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	4.55%
25. Cable and wire facilities - Conduit systems	4.55%
26. Cable and wire facilities - Other	

USDA-RUS		BORROWER DESIGNATION MI0570	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2013	
		INSTRUCTIONS – See help in the online application.	
PART I – STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		285,469	
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income		64,146	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation		371,391	
4. Add: Amortization		2,750	
5. Other (Explain)			
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable		(11,451)	
7. Decrease/(Increase) in Materials and Inventory		33,130	
8. Decrease/(Increase) in Prepayments and Deferred Charges		17,743	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(1,176,828)	
11. Increase/(Decrease) in Advance Billings & Payments		(4,839)	
12. Increase/(Decrease) in Other Current Liabilities		38,158	
13. Net Cash Provided/(Used) by Operations		(665,800)	
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable		0	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		6,559	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		282,097	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		(100,000)	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		40	
20. Less: Payment of Dividends		0	
21. Less: Patronage Capital Credits Retired		0	
22. Other (Explain)			
23. Net Cash Provided/(Used) by Financing Activities		188,696	
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)		439,045	
25. Other Long-Term Investments		0	
26. Other Noncurrent Assets & Jurisdictional Differences		2,750	
27. Other (Explain) change in grant assets not reimbursed yet		(2,750)	
28. Net Cash Provided/(Used) by Investing Activities		439,045	
29. Net Increase/(Decrease) in Cash		(38,059)	
30. Ending Cash		247,410	

Revision Date 2010

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  MI0570
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2013
<b>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

1 of 1 100% Find | Next

### Operating Report Checks

Borrower Name: AllBand Communications Cooperative	Year: 2013
Borrower ID: MI0570	Period: December

### Mortgage Ratio Checks

Type	Check Key	Description
Warning	5020	Part A. Total Equity of Total Asset [(12.07)%], is below the minimum threshold identified by RUS staff [0.00%]. Please provide an explanation. <i>Borrower Explanation: The negative equity is causing this ratio to be less than 0%</i>

### Part A: Balance Sheet

Type	Check Key	Description
Warning	630	"Line 56. Patronage Capital Credits End of Period" [(932,863)] is generally greater than 0 (zero) for Cooperatives. <i>Borrower Explanation: Several years of operating losses compounded by the FCC changes that cost Allband over \$250,000 in legal fees to obtain a waiver and additional \$25,000 in legal fees under a current lawsuit with the FCC are not feasible to be absorbed in two years with our limited margins.</i>
Warning	700	"Line 58. Total Equity End of Period" [(865,597)] is generally greater than or equal to 0 (zero). <i>Borrower Explanation: Several years of operating losses compounded by the FCC changes that cost Allband over \$250,000 in legal fees to obtain a waiver and additional \$25,000 in legal fees under a current lawsuit with the FCC are not feasible to be absorbed in two years with our limited margins.</i>
Warning	750	"Total Equity % of Total Assets [(12.07)%] is generally between 0% and 100%. <i>Borrower Explanation: The negative equity is causing this ratio to be less than 0%</i>

### Part B: Statements of Income and Retained Earnings or Margins

Type	Check Key	Description
Warning	1020	"Line 31. Total Net Income or Margins Prior Year" [(165,211)] is generally greater than 0 (zero). Explain the reasons for the net loss. <i>Borrower Explanation: Several years of operating losses compounded by the FCC changes that cost Allband over \$250,000 in legal fees to obtain a waiver caused a negative equity balance forward.</i>

### Part D: System Data

Type	Check Key	Description
Warning	1400	Line 1. Number of Plant Employees has changed significantly (33%) from the previous year. Values and rules checked: 3 (Yr: 2012) = 1 (Yr: 2013). Tolerance percentage: 33% <i>Borrower Explanation: During the harsh winter, we downsized the crew.</i>

### Part F: Funds Invested In Plant During Year

Type	Check Key	Description
Warning	1500	"Line 8. Gross Additions to Telecom. Plant (1 thru 7)" [empty] is generally greater than zero. <i>Borrower Explanation: There were no RUS loan funds distributed to Allband in 2013 for expansion. Network is too new to need replacement.</i>



1 of 1 100% Find | Next

### Operating Report Checks

Borrower Name: AllBand Communications Cooperative	Year: 2013
Borrower ID: MI0570	Period: December

### Mortgage Ratio Checks

Type	Check Key	Description
Warning	5020	Part A. Total Equity of Total Asset [(12.07)%], is below the minimum threshold identified by RUS staff [0.00%]. Please provide an explanation. <i>Borrower Explanation: The negative equity is causing this ratio to be less than 0%</i>

### Part A: Balance Sheet

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### Part B: Statements of Income and Retained Earnings or Margins

Type	Check Key	Description
Warning	1020	"Line 31. Total Net Income or Margins Prior Year" [(165,211)] is generally greater than 0 (zero). Explain the reasons for the net loss. <i>Borrower Explanation: Several years of operating losses compounded by the FCC changes that cost Allband over \$250,000 in legal fees to obtain a waiver caused a negative equity balance forward.</i>

### Part D: System Data

Type	Check Key	Description
Warning	1400	Line 1. Number of Plant Employees has changed significantly (33%) from the previous year. Values and rules checked: 3 (Yr: 2012) = 1 (Yr: 2013). Tolerance percentage: 33% <i>Borrower Explanation: During the harsh winter, we downsized the crew.</i>

### Part F: Funds Invested In Plant During Year

Type	Check Key	Description
Warning	1500	"Line 8. Gross Additions to Telecom. Plant (1 thru 7)" [empty] is generally greater than zero. <i>Borrower Explanation: There were no RUS loan funds distributed to Allband in 2013 for expansion. Network is too new to need replacement.</i>